

AMENDED IN SENATE JULY 1, 2009
AMENDED IN SENATE FEBRUARY 14, 2009
AMENDED IN ASSEMBLY JANUARY 7, 2009

CALIFORNIA LEGISLATURE—2009–10 THIRD EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 7

Introduced by Assembly Member Evans

January 5, 2009

~~An act to amend Section 16965 of, and to add Section 63048.66 to, the Government Code, to amend Sections 99312, 99312.7, and 99315 of the Public Utilities Code, and to amend Sections 7102 and 7104.2 of the Revenue and Taxation Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.~~*An act to amend Section 17221.5 of the Government Code, relating to state funds, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 7, as amended, Evans. ~~Transportation finance.~~*State funds: registered warrants.*

Existing law provides that whenever the Controller draws a warrant upon the Treasurer payable out of the General Fund in an amount in excess of the balance remaining in the unapplied money in the General Fund, as specified, the Controller shall upon the same day present it to the Treasurer who shall endorse it in accordance with certain procedures, thereby creating registered warrants. The Controller, with the approval of the Pooled Money Investment Board, is authorized to fix a maturity date for registered warrants.

This bill would allow a registered warrant to be redeemed at the option of the Pooled Money Investment Board prior to the maturity date of the warrant at a redemption price, calculated as specified.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 19, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 19, 2008, pursuant to the California Constitution.

This bill would declare that it is to take effect immediately as an urgency statute.

~~(1) Existing law, pursuant to Proposition 116 of 1990, creates the Public Transportation Account as a trust fund in the State Transportation Fund, provides that revenues are to be deposited in the account from specified portions of the sales taxes on gasoline and diesel fuel, and provides that moneys in the account are available for expenditure only for transportation planning and mass transportation purposes. Existing law specifies various transportation programs that are eligible to receive funds from the account, including the State Transit Assistance program that provides grants to local transit operators for operating and capital purposes, and certain transportation planning functions and mass transportation programs administered by state agencies. Certain provisions of Proposition 116 may be amended by the Legislature only by a $\frac{2}{3}$ vote of both houses and if the amendment is consistent with the purposes of the provision being amended.~~

~~This bill, for the 2009–10 to 2012–13 fiscal years, would suspend the State Transit Assistance program as an eligible recipient of Public Transportation Account funds, and would provide that certain revenues in the account shall be available only for other specified transportation planning and mass transportation programs. The bill would also revise the authorized uses of Public Transportation Account funds to include regional center transportation and home-to-school transportation.~~

~~(2) Existing law creates the Mass Transportation Fund in the State Treasury and provides that a portion of gasoline sales tax revenues commonly known as the “spillover” that would otherwise be deposited in the Public Transportation Account shall instead be deposited in the Mass Transportation Fund. Existing law specifies the transportation purposes that may be funded by the fund, including payment of debt~~

~~service on transportation bonds through transfer of funds to the Transportation Debt Service Fund, regional center transportation of the State Department of Developmental Services, and schoolbus transportation, among other things.~~

~~This bill, for the 2009–10 to 2012–13 fiscal years, would provide for the transfer of all of those gasoline sales tax revenues commonly known as the “spillover” to the Mass Transportation Fund and eliminate any transfer of those “spillover” revenues to the Public Transportation Account. Because this change would amend a provision contained in Proposition 116, it would require a $\frac{2}{3}$ vote of both houses of the Legislature for passage.~~

~~(3) Existing law, pursuant to Article XIX B of the California Constitution, creates the Transportation Investment Fund, which receives another portion of gasoline sales tax revenues that are not designated for deposit into the Public Transportation Account. Moneys in the Transportation Investment Fund are allocated to various transportation purposes, including the state transportation improvement program, local streets and roads, and mass transportation. The portion of moneys designated for mass transportation is, by statute, deposited in the Public Transportation Account, and 75% of these revenues are to be allocated to the State Transit Assistance program, with the remainder to be allocated to mass transportation programs administered by the Department of Transportation.~~

~~This bill, for the 2009–10 to 2012–13 fiscal years, would suspend the allocations under these provisions to the State Transit Assistance program. The bill would instead provide for allocation of these funds to the other mass transportation programs authorized for funding from the Public Transportation Account. After fiscal year 2012–13, these funds would be available to these programs and the State Transit Assistance program as specified.~~

~~(4) Existing law creates the Transportation Debt Service Fund in the State Treasury for the purpose, among other things, of using transportation revenues for the payment of debt service on transportation bonds and to reimburse the General Fund for past debt service payments on transportation bonds.~~

~~This bill would revise the provisions governing the Transportation Debt Service Fund to authorize the Director of Finance, with moneys transferred to that fund pursuant to an annual Budget Act or other statute from the State Highway Account in the State Transportation Fund, to reimburse the General Fund any amount necessary to offset the cost of~~

~~debt service made in any fiscal year for transportation-related general obligation bond expenditures consistent with Article XIX of the California Constitution.~~

~~(5) Existing federal law, the Indian Gaming Regulatory Act of 1988, provides for the negotiation and execution of tribal-state gaming compacts for the purpose of authorizing certain types of gaming on Indian lands within a state. The California Constitution authorizes the Governor to negotiate and conclude compacts, subject to ratification by the Legislature. Existing law ratifies a number of tribal-state gaming compacts between the State of California and specified Indian tribes. Existing law authorizes the Infrastructure and Economic Development Bank, upon a filing by the Director of Finance with the bank of a list of specified amended tribal compacts and compact assets, to sell for, and on behalf of, the state all or any portion of those compact assets to a special purpose trust. Existing law authorizes the special purpose trust to issue bonds secured by those compact assets.~~

~~This bill would provide that the portion of the above-described compact assets that are timely deposited or are due for deposit in a specified fund between July 1, 2008, and June 30, 2010, shall not be available for the purpose described above. The bill would require the Director of Finance to determine the portion of those compact assets attributable to each fiscal year. The bill would allow the Director of Finance to direct the Controller, by separate order applicable to the assets for each fiscal year, to transfer the compact assets attributable to that fiscal year to the General Fund. This bill would make other related changes.~~

~~(6) The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 19, 2008.~~

~~This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 19, 2008, pursuant to the California Constitution.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

~~Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.~~

The people of the State of California do enact as follows:

1 *SECTION 1. Section 17221.5 of the Government Code is*
2 *amended to read:*

3 17221.5. (a) The Controller, with the approval of the Pooled
4 Money Investment Board, may fix a maturity date for registered
5 warrants. To the extent legally permissible, the Controller shall
6 pick a date that does not interfere with the payment of bonds,
7 revenue anticipation notes, reimbursement warrants, and refunding
8 warrants.

9 (b) *Notwithstanding subdivision (a), a registered warrant may*
10 *be redeemed at the option of the committee prior to the maturity*
11 *date of the warrant at a redemption price not to exceed the*
12 *principal amount of the warrant plus the amount of interest,*
13 *calculated as of the date when the committee calls for the*
14 *redemption. The Treasurer shall pay the redemption price for the*
15 *registered warrant from any unapplied money in the General Fund*
16 *that is available on that redemption date.*

17 SEC. 2. *This act addresses the fiscal emergency declared by*
18 *the Governor by proclamation on December 19, 2008, pursuant*
19 *to subdivision (f) of Section 10 of Article IV of the California*
20 *Constitution.*

21 SEC. 3. *This act is an urgency statute necessary for the*
22 *immediate preservation of the public peace, health, or safety within*
23 *the meaning of Article IV of the Constitution and shall go into*
24 *immediate effect. The facts constituting the necessity are:*

25 *In order to make the necessary statutory changes to achieve*
26 *cash savings at the earliest possible time, it is necessary that this*
27 *act take effect immediately.*

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30 **All matter omitted in this version of the bill**
31 **appears in the bill as amended in the**
32 **Senate, February 14, 2009 (JR11)**
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